



Ten Ways to save for your First Home

Easy habits to help you achieve the dream of home ownership sooner

- 1 **Set a long-term goal:** *"I want to buy a home by the age of 30" or "I want to buy a home within five years of graduation from college".* Be realistic about where you want to live and what type of home you will likely be able to afford.
- 2 **Create a budget:** Determine how much you can afford by consulting a financial advisor or mortgage professional early on. This will put you on the right path to fulfilling your goal.
- 3 **Create a budget:** Keep track of all the money that comes in and all the money that goes out. Balancing expenses against income will help you determine what, if any, adjustments you need to make to your spending habits in order to build savings.
- 4 **Pay yourself first:** Open a separate savings account and deposit a set amount of money every month through an automatic withdrawal from your paycheck or other bank account.
- 5 **Live on cash:** Every pay day give yourself an allowance in cash to get you through to the next pay day. If you don't have cash handy you might think twice before buying something you don't really need.
- 6 **Build your savings account:** Live off your day-to-day earnings and make the most of every unexpected inflow of cash. If you work overtime or receive a bonus, put that money right into your savings account.
- 7 **Reduce expenses by Partying at home:** Going out for dinner, clubbing or a movie can really add up on your monthly expenses and kill your budget. Host movie nights or potluck dinners at home and see your savings grow.
- 8 **Earn extra income:** Sell unused items online through sites such as eBay, Craigslist or Kijiji; take on a second job; work part-time and summers if you're a student. *"To save for a down payment I picked up some extra shifts at work and got a second job and that really helped."* Megan, 23, First-time home buyer
- 9 **Open an RRSP account early on:** The Federal government's Home Buyer's Plan allows you to withdraw up to \$25,000 from a Registered Retirement Savings Plans (RRSP) for a down payment on a first home. Consult with a financial advisor or mortgage professional to grow your investments wisely. *"When we purchased our home, we weren't able to come up with 20 per cent down payment but we were able to use mortgage default insurance which allowed us to get into a home sooner with just five per cent down."* Steve, 26, First-time home buyer.
- 10 **Do your homework:** Before making any big investment or purchase, do some research. Avoid spending on impulse or emotion. If it sounds too good to be true, chances are it is.

